

AMENDED IN SENATE JUNE 23, 2011

AMENDED IN ASSEMBLY MARCH 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 156

Introduced by Assembly Member Lara

January 18, 2011

An act to amend Section 19902 of, and to add ~~Section~~ *Sections 19906 and 19943.5* to, the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 156, as amended, Lara. Gambling control.

Existing law establishes the California Gambling Control Commission ~~and~~, prescribes the requirements for obtaining a gambling license, and defines a gambling establishment or licensed premises for these purposes. Existing law ~~limits the transfer of property if the transferee has to be approved or licensed by the commission, and specifically prohibits a contract for the sale or lease of real or personal property that requires the approval of or licensing of the transferee by the commission; as specified, from specifying a closing date earlier than 90 days after the submission of the contract completed application for approval or licensing to the commission, as specified.~~

This bill would ~~permit, instead, prohibit~~ a contract for the sale or lease of real or personal property, ~~subject to the limitations described above, to specify from specifying~~ a closing date ~~earlier than 90 days after the submission of the contract to the commission if the commission has approved the contract and the parties have requested it that is prior to that approval or licensing by the commission.~~ The bill also would *require a contract for the sale of a gambling enterprise to state whether*

any outstanding gaming chips from the seller will be honored by the purchaser, and to specify whether the purchaser or the seller will redeem outstanding gaming chips, as specified. The bill would require the seller to post a notice of the pending sale to permit redemption of gaming chips. The bill would require the Department of Justice to oversee the redemption of the chips.

Existing law requires the department to approve the play of any controlled game, including, but not limited to, placing restrictions and limitations on how a controlled game is played.

This bill would provide that a gambling ~~establishment~~ *enterprise* that conducts play of a controlled game that has been approved by the department, but is later found to be unlawful, has an absolute defense to any criminal, administrative, or civil action provided the game was being played in the manner approved ~~and~~, during the time for which it was approved, and play ceases upon notice that the game has been found unlawful.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19902 of the Business and Professions
2 Code is amended to read:
3 19902. When any person contracts to sell or lease any property
4 or interest in property, real or personal, under circumstances that
5 require the approval or licensing of the purchaser or lessee by the
6 commission pursuant to subdivision (a) of Section 19853, the
7 contract shall not specify a closing date for the transaction that is
8 earlier ~~than the expiration of 90 calendar days after the submission~~
9 ~~of the completed application for approval for licensing. Except as~~
10 ~~provided in this section, any prior to that approval or licensing~~
11 ~~by the commission. Any provision of a contract that specifies an~~
12 ~~earlier closing date is void for all purposes, but the invalidity does~~
13 ~~not affect the validity of any other provision of the contract. If the~~
14 ~~commission has approved a contract for sale or lease, the~~
15 ~~commission may permit the contract to specify a closing date that~~
16 ~~is earlier than the expiration of 90 calendar days after the~~
17 ~~submission of the completed application, if so requested by the~~
18 ~~parties to the contract.~~

1 *SEC. 2. Section 19906 is added to the Business and Professions*
2 *Code, to read:*

3 *19906. A contract for the sale of a gambling enterprise shall*
4 *state whether any outstanding gaming chips from the seller will*
5 *be honored by the purchaser. If the purchaser does not intend to*
6 *continue using the same gaming chips that were in use by the*
7 *seller, then the contract shall specify whether the purchaser or the*
8 *seller will redeem those gaming chips that are outstanding as of*
9 *the closing date of the sale. The seller shall post a notice at the*
10 *gambling establishment to notify the patrons of the pending sale*
11 *of the gambling enterprise in order to provide adequate opportunity*
12 *for redemption of gaming chips. The department shall oversee the*
13 *redemption of the chips, and require that sufficient proceeds are*
14 *available for the redemption.*

15 ~~SEC. 2.~~

16 *SEC. 3. Section 19943.5 is added to the Business and*
17 *Professions Code, to read:*

18 *19943.5. If a gambling-~~establishment~~ enterprise conducts play*
19 *of a controlled game that has been approved by the department*
20 *pursuant to Section 19826, and the controlled game is subsequently*
21 *found to be unlawful, so long as the game was played in the manner*
22 *approved, the approval by the department shall be an absolute*
23 *defense to any criminal, administrative, or civil action that may*
24 *be brought, provided that the game is played during the time for*
25 *which it was approved by the department and the-~~establishment~~*
26 *gambling enterprise ceases play upon notice that the game has*
27 *been found unlawful.*